

THE SILCK POSITION ON A NURSING HOME BED TAX

The Statewide Independent Living Council of Kansas (SILCK) is in support of a Nursing Home Bed Tax provided there be a comprehensive study of a nursing home bed tax in the context of health care reform and HCBS programs. If the conclusion is that this is the time for such a tax; then, the tax be used in this way, 50% for the funding of HCBS programs and 50% for the increase of rates to nursing homes for the following reasons:

1. Home and Community Based Services (HCBS) is a viable alternative for the same nursing home population.
2. HCBS is not an experimental program. It has been an important, optional, alternative program for frail elderly persons and persons with disabilities for over 25 years.
3. Even though this has been an optional program, it has dramatic personal and fiscal results.
4. When persons (either frail elderly or those with a physical disability) need some type of additional support services or have medical needs the same as or more severe which might require entrance into a nursing home when persons are given a choice; they chose to stay in their own homes.
5. Their choice makes a fiscal difference to the State of Kansas. During FY2006, the State spent \$318.9M, All Funds, for a monthly average of 10,890 persons in nursing homes; the State spent \$142.3M, All Funds to maintain 11,353 persons in Home and Community Based Services.
6. Looking back for a moment, expenditures for nursing home services was approximately \$90.M.in 1986. The expenditures were approximately \$319.M. in 2006.
7. This means the increase in costs for nursing home care was 350% while at the same time there was a decrease of approximately 25% in the number of nursing home residents. **WHAT IS WRONG WITH THIS PICTURE?**
8. **HCBS** provides medical and support services in the home. **HCBS** provides a variety of services including but not limited to personal care services and assistive services. **HCBS** emphasizes choice and independence. **HCBS** minimizes institutional care.
9. Let me emphasize, in 2006 Kansas spent **\$125.4M.**, State General Funds and **\$318.9M.** All funds for **10,890** persons in nursing facilities. Kansas spent **\$56.1M.**, State General Funds and **\$142.3M.** All funds for **11,353** persons on the FE/PD HCBS waiver programs.

Therefore, an integral part of healthcare reform must be the limiting of unnecessary institutional care. HCBS provides an effective, humane, and cost saving reform.

In closing, HCBS provides a three for one concrete step into Health Reform. First, it calls for greater responsibility and choice on the part of the individual seeking the service; second, it is an immediate step the Authority can take to demonstrate that Health Reform is underway in KS; third, it is cost effective and humane and a saving to the State.

Very few Kansans long for the opportunity to be in a nursing home; most Kansans long to remain in their own homes. Kansans want choice and independence.

True health care reform requires a recognition of the positive benefits of a comprehensive HCBS program. There needs to be a public, state declaration by the Authority and others that HCBS programs will be viewed on par with nursing home care.

We are asking that there be a comprehensive study of a nursing home bed tax in the context of health care reform and HCBS programs. If the conclusion is that this is the time for such a tax; then, the tax be used in this way, 50% for the funding of HCBS programs and 50% for the increase of rates to nursing homes.